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6
 7 **UNITED STATES BANKRUPTCY COURT**

8 **DISTRICT OF NEVADA**

9 In re

10 DOUBLE JUMP, INC.

11 Debtor.

Lead Case No.: BK-19-50102-gs
 (Chapter 7)

Jointly Administered with:

19-50130-gs	DC Solar Solutions, Inc.
19-50131-gs	DC Solar Distribution, Inc.
19-50135-gs	DC Solar Freedom, Inc.

13 X Affects DC Solar Solutions, Inc.
 14 X Affects DC Solar Distribution, Inc.
X Affects DC Solar Freedom, Inc.
 15 X Affects Double Jump, Inc.

**DECLARATION OF CHRISTINA
 LOVATO IN SUPPORT OF MOTION
 FOR ORDERS: (1) AUTHORIZING
 CONSENSUAL SALE OF PERSONAL
 PROPERTY BY AUCTION, (2)
 APPROVING SALE OF ESTATE-OWNED
 MSGS, AND (3) RATIFYING
 CONTINUING EMPLOYMENT OF CA
 GLOBAL AS AUCTIONEER**

**Hearing Date: December 9, 2019
 Hearing Time: 9:30 a.m.**

22 Christina Lovato, under penalty of perjury of the laws of the United States, declares:

23 1. I am the duly appointed an acting chapter 7 trustee for the jointly administered
 24 estates of Double Jump, Inc., DC Solar Solutions, Inc. ("Solutions"), DC Solar Distribution Inc.
 25 ("Distribution"), and DC Solar Freedom, Inc. ("Freedom"). I have personal knowledge of the
 26 matters stated herein.

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1 2. I file this Declaration in support of my Motion For Orders Authorizing The
2 Consensual Sale Of Personal Property By Auction, an Order Approving The Sale of Estate-Owned
3 MSGs, and an Order Ratifying The Continuing Employment Of CA Global As Auctioneer
4 (“Motion”).

5 3. This Motion requests approval of three matters. First, the Motion requests approval
6 of the consensual sale by auction of approximately 174 MSGs owned by USB Funds I and II, as
7 more particularly described below. See, **Exhibit A** attached hereto. Second, the Motion requests
8 approval of the sale by auction of 109 MSGs referred to as ‘orphan’ units or Estate owned units.
9 See, **Exhibit B**, attached hereto. Finally, the Motion requests ratification of the continuing use by
10 the Trustee of CA Global as auctioneer.

11 4. On January 30, 2019 (the “Petition Date”), Double Jump, Inc. filed a chapter 11
12 petition and on February 3, 4 and 5, 2019, respectively, DC Solar Solutions, Inc., DC Solar
13 Distributions, Inc. and DC Solar Freedom, Inc., each, filed chapter 11 petitions. The cases were
14 converted to chapter 7 on March 22, 2019 and I was appointed to administer each of the estates.

15 5. I have reviewed the documentation for the two transactions described in the
16 following paragraphs.

17 6. Beginning in or about 2012, Solutions manufactured mobile solar generators
18 (“MSGs”), for sale to various limited liability companies, touting the prospect of federal green
19 energy tax credits which provided tax advantages to the purchasers. One of the first, purchasers
20 was a USB Fund (“USB”).

21 7. In October 2012, USB DC Solar Fund I, LLC (“USB I”), as buyer, entered into a
22 Solar Equipment Purchase Agreement with Solutions as the seller, for the purchase of 100 MSGs
23 for price of \$15,000,000. USB I paid 30% of the purchase price in cash and executed a promissory
24 note for \$10,121,177 (“Note I”), for the balance of the purchase price, repayment of which was
25 secured by a UCC-1 security interest in the MSGs and a lien in favor of DC Solar Solutions, Inc.
26 on the Certificate of Title issued for each MSG.

27 8. In December 2012, USB DC Solar Fund II, LLC (“USB II”), as buyer, entered into
28 a Solar Equipment Purchase Agreement with Solutions as the seller, for the purchase of 150 MSGs

1 for price of \$22,500,000. USB II paid 30% of the purchase price in cash and executed a promissory
2 note for \$14,971,341 ("Note II"), for the balance of the purchase price, repayment of which was
3 secured by a UCC-1 security interest in the MSGs and a lien in favor of DC Solar Solutions, Inc.
4 on the Certificate of Title issued for each MSG.

5 9. Notes I and II are non-recourse.

6 10. In September 2019, Firststar Development, LLC, the investor member of USB funds
7 I and II exercised its Investor Member Withdrawal Option which becomes effective December 16,
8 2019.

9 11. Of the 250 USB I and II MSGs, only 174 have been located. Those MSGs are
10 located in Las Vegas, Nevada, Woodlake, California and other locations around the United States.

11 12. Subject to Court approval of the process, USB has agreed with me that I may
12 conduct an auction of the USB I and II MSGs, utilizing the services of CA Global. From the
13 proceeds of sale, USB requests that it be reimbursed for its post-petition costs of relocating and
14 storing its MSGs. These costs total approximately \$130,000.

15 13. Title to the USB I and II MSGs is in the name of USB I and II, respectively, and
16 DC Solar Solutions, Inc. is identified as the lienholder. As noted elsewhere, I have yet to obtain
17 the original Certificates of Title to the MSGs and it is unclear from the AUSA whether, or when,
18 I will be able to reclaim those original papers. In order to be able to convey title to prospective
19 purchasers, with my approval, CA Global is utilizing the services of an independent entity which
20 can obtain duplicate titles for the MSGs at a cost of \$125 per unit.

21 14. As a result of the relocation and assembling of the USB I and II MSGs, the DC
22 solar Solutions estate has constructive possession of those MSGs and has the option of proceeding
23 with a foreclosure of the DC Solar Solutions estate's security interest under applicable provisions
24 of Article 9.

25 15. The Trustee and USB, as managing member of USB I and II, have reached an
26 agreement for the consensual sale to of 174 MSGs, owned by USB I and II, located in Las Vegas,
27 Nevada, Woodlake, California and in various other locations in the United States. The sale is to
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1 be free and clear of DC Solar Solutions' liens and interests.¹ The sale will be conducted in an
2 online auction conducted by CA Global within approximately 30 days following Court approval
3 of this Motion. As with prior auctions conducted by CA Global, there will be a Buyers' Premium
4 of 18% paid to CA Global.

5 16. In those instances where the storage facilities, at which the USB I and II MSGs
6 are located, require payment of accrued storage, those amounts will be advanced by the me or by
7 CA Global and be paid first out of the proceeds of sale. CA Global will also be reimbursed for its
8 out-of-pocket expenditures related to obtaining duplicate titles for all MSGs sold.

9 17. The sale proceeds of the USB I and II MSGs will be segregated, separate and apart
10 from the proceeds of the orphan or owned MSGs. After reimbursement of expenses advanced by
11 CA Global and by USB I and II, remaining proceeds will be assets of the DC Solar Solutions
12 estate.

13 18. I and USB I and II have each agreed to reserve, without prejudice to either party,
14 any issues related to USB Notes I and II.

15 19. In addition to the auction of the USB I and II MSGs, I have identified an additional
16 109 orphan, or Estate owned MSGs. Some of those MSGs were initial identified to Fund XVI
17 which I have determined was never actually funded. I am requesting that CA Global also be
18 authorized to auction the 109 orphan or Estate owned MSGs.

19 20. For all MSGs sold under the requested order, CA Global will be entitled to charge
20 an 18% Buyer's premium.

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28 ¹ The interests of any of the Debtors to the MSGs under any lease, including the Master Lease, would be included in the interests released. Any third-party lease of any of the MSGs that are the subject of this Motion were deemed rejected in May, so they would no longer be affected by any sale of the MSGs.

